

CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE:

Purchase Digger-Derrick Truck (\$189,180)

MEETING DATE:

June 16, 1999

PREPARED BY:

Electric Utility Director

RECOMMENDED ACTION:

That the City Council adopt the attached resolution awarding the bid for the purchase of one Digger-Derrick Truck to the low bidder Altec Industries, Inc. Dixon, CA in the amount of \$189,180.00 and authorize the transfer of additional funds for this purchase.

BACKGROUND INFORMATION:

On April 21, 1999, the City Council approved specifications and authorized advertisement for bids. The City Council also directed staff to solicit bids for a purchase or a lease of this equipment. Bids were received and opened on May 19, 1999. A summary of the bids is tabulated below:

Bidder	Price incl. Tax w/o optional tools	Price incl. Tax with optional tools	Comments
Altec Industries, Inc.	\$181,776.41	\$189,180.00	
Dixon, CA			
MTI Insulated Products, Inc. Fort Wayne, IN	\$183,227.80	\$190,583.89	Does not meet Specifications
Pacific Utility Equipment Co. Sacramento, CA	\$202,340.49	\$208,866.91	
Utility Equipment Leasing Corp. Waukesha, WI	Offering lease only		

The bidders were requested to submit bids on three different methods by which the City could acquire this equipment, namely: purchase; a lease-purchase indicating semi-annual or annual payments based on either a 5, 7 or 10 year lease-purchase all having a 1 dollar buy out at the end of the lease and finally a lease (only) with semi-annual or annual payments on a 10 year lease. The various bids received have been tabulated and are shown as Exhibit A. For each bidder three rows are shown indicating the actual payment and the Present Value of the payments for the various lease terms at two different interest rates. The interest rates are representative of the City's cost of money. Based on the Present Value analysis of the bid data it is recommended to purchase the vehicle. All of the lease options, on bids meeting the specifications, have a greater Present Value than the purchase option.

The City Council's authorization to advertise for bids was based on an estimated purchase price of \$175,000.00. In order to fund the above recommendation i.e. purchase the truck at a cost of \$189,180.00, it is requested that the City Council authorize the transfer of \$14,180 from the excess funding for a Bucket Truck presently being purchased. Funding for this Bucket Truck with the truck equipped for service was appropriated at \$120,400.00. However, based on bids received the actual in service price will be \$87,033.80 leaving an excess of \$33,366.20.

APPROVED:	All Alam
	H. Dixon Flynn City Manager



CITY OF LODI

COUNCIL COMMUNICATION

Purchase Digger-Derrick Truck (continued)

FUNDING:

Electric Utility Capital Budget

(See Page E-44 of the 1997-99 Financial Plan and Budget)

Account Number: 1611201.7851 233 E

Funding Approval:

Vicky McAthie, Finance Director

Alan N. Vallow Electric Utility Director

PREPARED BY:

Hans Hansen, Manager, Engineering and Operations

ANV/HH/hh

Attachment (1)

C:

City Attorney Purchasing Officer

APPROVED:	
6-19-99 HH DIG DERTRK	H. Dixon Flynn City Manager

Exhibit A

Acquisition Evaluations

Digger-Derrick Truck

	Option #1	Option #2				Option #3					
Bidder		Purchase	Lease-Purchase			Lease					
		w/o Optional	al 5 Years 7 Years 10 Year		'ears						
		Tools	Semi-Ann.	Annual	Semi-Ann.	Annual	Semi-Ann.	Annual	Semi-Ann.	Annual	Monthly
	Payments	181,776.41	21,378.00	43,395.45	16,348.16	33,148.24	12,634.60	25,578.52			2,084.08
Altec Industries, Inc.	Present Value (5%)		187,101.54	187,879.73	191,124.87	191,807.98	196,962.80	197,510.43			196,489.88
	Present Value (6%)		182,358.62	182,797.26	184,669.96	185,046.07	187,970.88	188,260.21			187,720.28
	Payments	202,340.49	24,792.71	50,247.03	18,966.07	38,418.80	14,629.70	29,600.63	14,629.70	29,600.63	
Pacific Utility Equipment Co.	Present Value (5%)	1	216,987.29	217,543.51	221,730.62	222,305.39	228,064.73	228,568.07	228,064.73	228,568.07	
	Present Value (6%)		211,486.77	211,658.58	214,242.05	214,468.34	217,652.92	217,863.30	217,652.92	217,863.30	i
	Payments		23,553.24	46,470.17	17,881.11	35,252.76	N/A	N/A	N/A	N/A	
Pacific Utility Equipment Co.	Present Value (5%)		206,139.37	201,191.67	209,046.45	203,985.51					
(Optional Financing)	Present Value (6%)		200,913.85	195,749.09	201,986.27	196,794.30					
	Payments		20,012.41	39,436.83	15,046.00	29,631.04	11,352.83	22,337.52	N/A	N/A	
MTI Insulated Products, Inc.	Present Value (5%)	183,227.80	175,149.81	170,740.97	175,901.43	171,456.16	176,981.08	172,484.30			
	Present Value (6%)		170,709.86	166,122.13	169,960.67	165,411.73	168,901.39	164,406.16			
	Payments		22,899.36	46,263.36	17,248.17	34,844.63	13,033.94	26,317.63	13,172.50	25,597.99	
Utility Equipment Leasing Corp.	Present Value (5%)	N/A	200,416.57	200,296.29	201,646.80	201,623.92	203,188.18	203,217.63	205,348.21	197,660.77	
	Present Value (6%)							193,700.13		188,403.51	
					-						
						-	-				
	Interest Rate										
Present Value Factors	5%		8.75206	4.32948	11.69091	5.78637	15.58916	7.72173		-	94.28135
	6%		8.5302	4.21236	11.29607	5.58238	14.87747	7.36009			90.07345

RESOLUTION NO. 99-83

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE BID FOR THE PURCHASE OF ONE DIGGER-DERRICK TRUCK, AND FURTHER APPROVING THE TRANSFER OF ADDITIONAL FUNDS TO COVER THIS PROJECT

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on May 19, 1999 at 11:00 a.m. for the purchase of one Digger-Derrick Truck, described in the specifications therefore approved by the City Council on April 21, 1999; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as shown below:

Bidder	Price incl. Tax w/o optional tools	Price incl. Tax with optional tools	Comments
Altec Industries, Inc.	\$181,776.41	\$189,180.00	
Dixon, CA			
MTI Insulated Products, Inc.	\$183,227.80	\$190,583.89	Does not meet
Fort Wayne, IN			Specifications
Pacific Utility Equipment Co.	\$202,340.49	\$208,866.91	
Sacramento, CA			
Utility Equipment Leasing Corp.	Offering lease only		
Waukesha, WI			

WHEREAS, the City Manager recommends that award of the bid for the purchase of one Digger-Derrick Truck, be made to the low bidder whose equipment meets the City of Lodi specifications, Altec Industries, Inc., of Dixon, California.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of bid for the purchase of one Digger-Derrick Truck, be and the same is hereby awarded to Altec Industries, Inc., of Dixon, California, in the total amount of \$189,180.00; and

BE IT FURTHER RESOLVED, that additional funds in the amount of \$14,180.00 be transferred from excess funding to cover this purchase.

Dated: June 16, 1999

I hereby certify that Resolution No. 99-83 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 16, 1999, by the following vote:

AYES:

COUNCIL MEMBERS - Hitchcock, Mann, Nakanishi, Pennino and

Land (Mayor)

NOES:

COUNCIL MEMBERS - None

ABSENT:

COUNCIL MEMBERS - None

ABSTAIN:

COUNCIL MEMBERS - None

ALICE M. REIMCHE

City Clerk